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Hospitals awaiting reform assurances

Hospitals won't endorse sweeping federal health care reforms until they are assured that greater numbers of people will be insured and that the costs of broadening coverage don't cut their budgets too deeply, said Richard Umbdenstock, president and chief executive of the American Hospital Association.

Umbdenstock left Spokane several years ago as a senior executive of Providence Health and Services to lead the AHA, which lobbies on behalf of 5,000 U.S. hospitals. He told a crowd gathered Monday at the Spokane Club that the AHA seeks a nonprofit-based insurance option that would cover most of the 50 million uninsured people in the U.S.

Hospitals haven't openly rejected a stronger government-run insurance plan, also called a "public option," but they worry that such a plan would make payments for patient care based on Medicare and Medicaid reimbursement rates, which hospitals and doctors say resulted in \$36.4 billion in uncompensated care last year.

Hospitals, he said, have agreed in principle to accept cuts in federal program payments of about \$155 billion. They hope to recoup that lost revenue by collecting from the would-be newly insured patients.

Medicare payment levels have been a sore spot with Northwest health care providers, especially those in Spokane. Hospitals claim they are paid less than the national average because they provide more-efficient care.